					RTMENT OF NA	OF UTAH IATURAL RESO , GAS AND MII		8		AMENDED RE	FORM 3			
		APPL	ICATION FOR	PERMIT TO D	RILL				1. WELL NAME and N	UMBER LCU 16-36F				
2. TYPE OF		PRILL NEW WELL (REENTER P&	A WELL (DEEPEN WELL (0			3. FIELD OR WILDCA	T NATURAL BUTTE	s			
4. TYPE OF		Gas V		ed Methane Wel	,				5. UNIT or COMMUNITIZATION AGREEMENT NAME LITTLE CANYON					
6. NAME O	F OPERATOR		XTO ENER						7. OPERATOR PHONE 505 333-3145					
8. ADDRES	S OF OPERATOR				<u> </u>				9. OPERATOR E-MAII	L				
	AL LEASE NUMBE	R	32 Road 3100, A:	11. MINERAL C					Kelly_Kardos@xtoenergy.com 12. SURFACE OWNERSHIP					
		L-47391		FEDERAL () INDIAN (STATE () FEE	E 💭			~~	FEE		
13. NAME	OF SURFACE OW	NER (if box 12 = 'fe	ee')						14. SURFACE OWNER	R PHONE (if box	12 = 'fee')			
15. ADDRE	SS OF SURFACE	OWNER (if box 12	= 'fee')						16. SURFACE OWNE	R E-MAIL (if box	12 = 'fee')			
	ALLOTTEE OR T = 'INDIAN')	RIBE NAME		18. INTEND TO MULTIPLE FOR		PRODUCTION	FROM		19. SLANT					
(II DOX 12	- INDIAN)			YES (S	Submit Commin	ngling Applicatio	n) NO	(VERTICAL DIF	RECTIONAL 🔵	HORIZOI	NTAL 🔵		
20. LOCA	TION OF WELL		FC	OTAGES	QTR-QTR	SE	CTION	TOWNSHIP	RANGE		MERIDIAN			
LOCATIO	N AT SURFACE		815 F	SL 471 FEL		SESE	:	36	10.0 S	20.0 E		S		
Top of Up	permost Produc	ing Zone	815 F	SL 471 FEL		SESE		36	10.0 S	20.0 E		S		
At Total I	Depth		815 F	SL 471 FEL		SESE		36	10.0 S	20.0 E		S		
21. COUNT		JINTAH		22. DISTANCE		LEASE LINE (Fe 471	et)		23. NUMBER OF ACR	ES IN DRILLING 640	UNIT			
					Orilling or Com	WELL IN SAME POOL mpleted) 26. PROPOSED DEPTH 1601 MD: 9060 TVD: 9060								
27. ELEVA	TION - GROUND I	LEVEL		28. BOND NUN	25. COCKOL OF BILL						ROVAL NUMBER IF APPLICABLE			
		5370				312762				43-10447				
String	Hole Size	Casing Size	Longth		Grade &	Cement Infor		n Mud Wt.	Cement	Sacks	Yield	Weight		
Surf	12.25	9.625	0 - 2200	Weight 36.0		ST&C	IVIAX	8.4	Type V	362	1.92	12.8		
	12.20	0.020	0 2200	- 00.0	0 00	0100	0.4		Type V	225	1.15	15.8		
Prod	7.875	5.5	0 - 9060	17.0	N-80	LT&C		9.2	Premium Plu	us 461	3.12	11.6		
									Class G	300	1.75	13.0		
					ATTAC	HMENTS								
	VERIF	Y THE FOLLOWII	NG ARE ATTAC	CHED IN ACC	ORDANCE W	ITH THE UTA	H OIL A	AND GAS	CONSERVATION G	ENERAL RUL	ES			
₩	LL PLAT OR MAP	PREPARED BY LICI	ENSED SURVEYO	R OR ENGINEER	R	I ✓ COMP	PLETE D	RILLING PL	AN					
AFF	IDAVIT OF STATU	IS OF SURFACE OW	NER AGREEMEN	T (IF FEE SURF	ACE)	FORM	5. IF OP	PERATOR IS	OTHER THAN THE LI	EASE OWNER				
DIR	ECTIONAL SURVI	EY PLAN (IF DIREC	TIONALLY OR HO	RIZONTALLY D	PRILLED)	Г торос	GRAPHI	ICAL MAP						
NAME Kris	sta Wilson			TITLE Permitt	ing Tech	4	Р	PHONE 505	333-3647					
SIGNATUR	RE			DATE 10/11/	2011		E	EMAIL krista	_wilson@xtoenergy.cc	om				
	er assigned 475210200	00		APPROVAL			-	Br	00 EJÚL					
								Pern	nit Manager					

XTO ENERGY INC.

LCU 16-36F APD Data November 6, 2007

Location: 815' FSL & 471' FEL, Sec. 36, T10S,R20E County: Uintah

State: Utah

GREATEST PROJECTED TD: 9060' MD

OBJECTIVE: <u>Wasatch/Mesaverde</u> Est KB ELEV: 5384' (14' AGL)

APPROX GR ELEV: 5370'

1. MUD PROGRAM:

INTERVAL	0' to 2200'	2200' to 9060'
HOLE SIZE	12.25"	7.875"
MUD TYPE	FW/Spud Mud/	- KCl Based LSND / Gel Chemical
WEIGHT	8.4	8.6-9.20
VISCOSITY	NC	30-60
WATER LOSS	NC	8-15

Remarks: Use fibrous materials as needed to control seepage and lost circulation. Pump high viscosity sweeps as needed for hole cleaning. Raise viscosity at TD for logging. Reduce viscosity after logging for cementing purposes. The mud system will be monitored visually/manually.

2. CASING PROGRAM:

Surface Casing: 9.625" casing set at ± 2200' in a 12.25" hole filled with 8.4 ppg mud

					Coll	Burst						
1	İ				Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
Interval	Length	Wt	Gr	Cpig	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
0'-2200'	2200'	36#	J-55	ST&C	2020	3.66	394	8.921	8.765	2.10	3.66	4.97

Production Casing: 5.5" casing set at ±9060' in a 7.875" hole filled with 9.2 ppg mud.

-													
						Coll	Burst						
						Rating	Rating	Jt Str	ID	Drift	SF	SF	SF
	Interval	Length	Wt	Gr	Cplg	(psi)	(psi)	(M-lbs)	(in)	(in)	Coll	Burst	Ten
	0'-9060'	9060'	17#	N-80	LT&C	6280	7740	348	4.892	4.767	1.83	2.26	2.26

Collapse and burst loads calculated at TVD with 0.1 psi/ft gas gradient back up.

3. WELLHEAD:

- A. Casing Head: Larkin Fig 92 (or equivalent), 9" nominal, 2,000 psig WP (4,000 psig test) with 8-5/8" 8rnd thread on bottom (or slip-on, weld-on) and 11-3/4" 8rnd thread on top.
- B. Tubing Head: Larkin Fig 612 (or equivalent), 6.456" nominal, 5,000 psig WP, 5-1/2" 8rnd female thread on bottom (or slip-on, weld-on), 8-5/8" 8rnd thread on top.

CEMENT PROGRAM:

A. Surface:

9.625", 36#, J-55, ST&C casing to be set at ±2200' in 12.25" hole.

LEAD:

±362 sx of Type V cement (or equivalent) typically containing accelerator and LCM.

12.8 pg / yield 1.92 ft //sy

TAIL:

225 sx of Type V cement (or equivalent) typically containing accelerator and LCM.

Total estimated slurry volume for the 9.625" surface casing is 956.5 ft. Slurry includes 35% excess of calculated open hole annular volume to 2200'.

B. **Production**:

5.5", 17#, N-80 (or equiv.), LT&C casing to be set at ±9060' in 7.875" hole.

LEAD:

±461 sx of Premium Plus V Blend. (Type V/Poz/Gel) or equivalent, with dispersant, fluid loss, accelerator, & LCM mixed at 11.6 ppg, 3.12 ft³/sk, 17.71 gal wtr/sx.

TAIL:

300 sx Class G or equivalent cement with poz, bonding additive, LCM, dispersant, & fluid loss mixed at 13.0 ppg, 1.75 cuft/sx, 9.09 gal/sx.

Total estimated slurry volume for the 5.5" production casing is 1965 ft³. Slurry includes 15% excess of calculated open hole annular volume.

Note: The slurry design may change slightly based upon actual conditions. Final cement volumes will be determined from the caliper logs plus 15% or greater excess. The cement is designed to circulate on surface and intermediate casing strings.

5. LOGGING PROGRAM:

- A. Mud Logger: The mud logger will come on at intermediate casing point and will remain on the hole until TD. The mud will be logged in 10' intervals.
- Open Hole Logs as follows: Run Array Induction/SFL/GR/SP fr/TD (9060') to the bottom of the surface csg. Run Neutron/Lithodensity/Pe/GR/Cal from TD (9060') to 2200'.

FORMATION TOPS:

FORMATION	Sub-Sea Elev. (@SHL)	TVD (@SHL)
Wasatch Tongue	1,670	3,719
Green River Tongue	1,340	4,049
Wasatch*	1,210	4,179
Chapita Wells*	475	4,914
Uteland Buttes	-695	6,084
Mesaverde*	-1,465	6,854
Castlegate	N/A	N/A
TD**	-3 78 1	9090

^{*} Primary Objective

7. ANTICIPATED OIL, GAS, & WATER ZONES:

Α.

Formation	Expected Fluids	Well Depth Top
Wasatch Tongue	Oil/Gas/Water	3,719
Green River Tongue	Oil/Gas/Water	4,049
Wasatch*	Gas/Water	4,179
Chapita Wells*	Gas/Water	4,914
Uteland Buttes	Gas/Water	6,084
Mesaverde*	Gas/Water	6,854
Castlegate	Gas/Water	N/A

- A. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.
- B. There are no known potential sources of H₂S.
- C. Expected bottom hole pressures are between 4100 psi and 4600 psi.

8. **BOP EQUIPMENT**:

Surface will not utilize a bop stack.

Intermediate hole will be drilled using a diverter stack with rotating head rated at 250 psi w.p.

Production hole will be drilled with a 3000 psi BOP stack.

Minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double ram with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10% in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed:
- b. whenever any seal subject to test pressure is broken
- c. following related repairs: and
- d. at 30 day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No.2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Test pressures for BOP equipment are as follows:

Annular BOP -- 1500 psi
Ram type BOP -- 3000 psi
Kill line valves -- 3000 psi
Choke line valves and choke manifold valves -- 3000 psi
Chokes -- 3000 psi
Casing, casinghead & weld -- 1500 psi
Upper kelly cock and safety valve -- 3000 psi
Dart valve -- 3000 psi

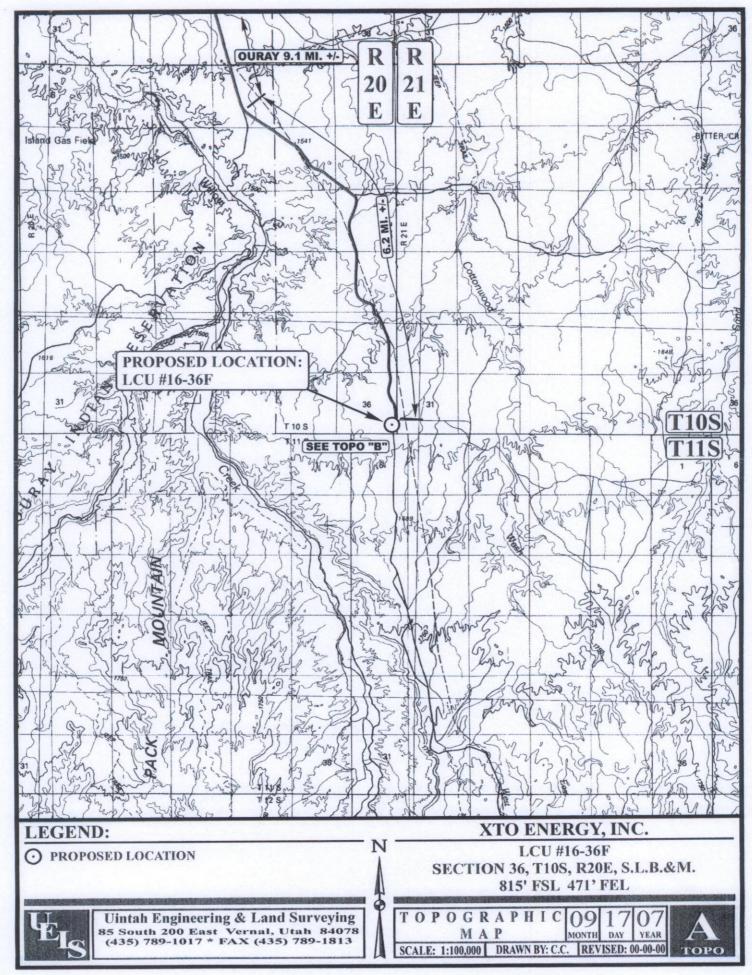
Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The BLM in Vernal, UT shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram.
- b. A choke line and a kill line are to be properly installed.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
- e. See attached BOP & Choke manifold diagrams.

9. COMPANY PERSONNEL:

<u>Name</u>	<u>Title</u>	Office Phone	Home Phone
John Egelston	Drilling Engineer	505-333-3163	505-330-6902
Bobby Jackson	Drilling Superintendent	505-333-3224	505-486-4706
Glen Christiansen	Project Geologist	817-885-2800	



SURFACE USE PLAN

Name of Operator: XTO Energy Inc.

Address: 382 CR 3100

Aztec, NM 87410

Well Location: LCU 16-36F

Surface: 815' FSL & 471' FEL, SE/4 SE/4

Section 36, T10S, R20E, SLB&M, Uintah County, Utah

The surface owner or surface owner representative and dirt contractor will be provided with an approved copy of the surface use plan of operations and approved conditions of approve before initiating construction.

1. Existing Roads:

- a. The proposed access route to the location shown on the USGS quadrangle map (see Exhibit "A").
- b. The proposed well site is located approximately 13.64 miles southwest of Ouray, Utah.
- c. Proceed in a westerly direction from Vernal, Utah along U.S. Highway 40 for approximately 14.0 miles to the junction of State Highway 88. Exit left and proceed in a southerly direction for approximately 17.0 miles to Ouray, Utah. Proceed in a southerly, then southeasterly direction for approximately 9.1 miles to junction of this road and an existing road to the southwest. Turn left and proceed in a southwesterly, the southerly direction for approximately 6.2 miles to the junction of this road and an existing road to the east. Turn right and proceed in an easterly, then southerly direction for approximately 300' to the beginning of the proposed access to the southeast. Follow the road flags in a southeasterly direction for approximately 130' to the proposed location.
- d. All existing roads within a one (1) mile radius of the proposed well site are shown in Exhibit "B". If necessary, all existing roads that will be used for access to the proposed well location will be maintained to the current condition, or better, unless BLM ort SITLA approval or consent is given to upgrade the existing road(s).
- e. The use of roads under State and County Road Department maintenance are necessary to access the Little Canyon Unit Area. A Uintah County Road encroachment permit is necessary to construct the new access from the existing Uintah County Road 2810 (Seep Ridge Road).
- f. All existing roads will be maintained and kept in good repair during all phases of operation.
- g. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- h. Since no improvements are anticipated to the to the State, County, Tribal or BLM access roads, no topsoil stripping will occur.

Surface Use Plan LCU 16-36F 10/11/2011 1

i. An off-lease federal Right-of-Way is not anticipated for the access road since access presently exists to the lease boundary.

2. Planned Access Roads:

- a. Location (centerline): From the existing Uintah County 2810 (Seep Ridge Road) an access is proposed trending southwest approximately 130' to the proposed well site. The access consists of entirely new disturbance and crosses no significant drainages.
- The proposed access road will consist of a 24' travel surface within a 30' disturbed area.
- c. A road design plan is not anticipated at this time.
- d. SITLA approval to construct and utilize the proposed access road is requested with this application.
- e. No turnouts are proposed since adequate site distance exists in all directions.
- f. A maximum grade of 10% will be maintained throughout the project.
- g. No gates or cattle guards are anticipated at this time.
- Surface disturbance and vehicular travel will be limed to the approved location access road.
- Adequate drainage structures and culverts will be incorporated into the road where practical.
- j. No surfacing material will come from SITLA, Federal, or Tribal lands.
- k. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service Publication: Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development (Gold Book – Fourth Edition – Revised 2007).
- I. The operator will be responsible for all maintenance of the access roads, including any anticipated drainage structures.
- m. Other: See general information below.
 - If any additional Right-of-Way is necessary, no surface disturbing
 activities shall take place on the subject Right-of-Way until the
 associated APD is approved. The holder will adhere to conditions of
 approval in the Surface Use Program of the approved APD, relevant to
 any Right-of-Way facilities.
 - If a Right-of-Way is secured, boundary adjustments in the lease or unit shall automatically amend this Right-of-Way to include that portion of the facilities no longer contained within the lease or unit. In the event of an automatic amendment to this Right-of-Way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

- If at any time the facilities located on public lands authorized by the terms of this lease are no longer included in the lease (due to a contraction in the unit or lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligations as determined by the BLM.
- If the well is productive, the access road will be rehabilitated as needed and brought to Resource (Class II) Road Standards within a time period specified by SITLA or the BLM. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Field Office Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells:

a. All wells in a one (1) mile radius are shown within Exhibit "C".

4. Location of Existing and or Proposed Production Facilities:

- a. On-site facilities: Typical on-site facilities will consist of a wellhead, flowlines (typically 3" dia.), artificial lifting system (if necessary), wellhead compression (if necessary), gas/oil/water separator (3 phase), gas measurement and water measurement equipment, and a heated enclosure/building for weather and environmental protection. The tank battery will typically be constructed and surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. The tanks typically necessary for the production of this well will be 1 300 bbl steel, above ground tank for oil/condensate and 1 300 bbl steel, above ground tank for produced water. All loading lines and valves for these tanks will be placed inside the berm surrounding the tank battery.
 - All oil/condensate production and measurement shall conform to the provision of 43 CFR 3162.7 and Onshore Oil and Gas Order No. 4, if applicable. Other on-site equipment and systems may include methanol injection and winter weather protection.
 - All permanent (in place for six (6) months or longer) structures
 constructed or installed on the well site location will be painted a flat,
 non-reflective color, matching the ground and not sky, slightly darker
 than the adjacent landscape, as specified by the COA's in the
 approved APD. All facilities will be painted within six (6) months of
 installation. Facilities required to comply with the Occupations Safety
 and Health Act (OSHA) may be excluded.
 - Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- b. Off- site facilities: None.
- c. A gas meter run will be constructed and located on lease within 500 feet of the well head. Meter runs will be housed and/or fenced. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

- d. A tank battery will be constructed on this lease; it will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- f. A pipeline corridor containing a single steel gas pipeline and a single steel or poly water pipeline is associated with this application and is being applied for at this time. The proposed pipeline corridor will leave the north side of the well site and traverse 65' east to the existing LCU 8-36F pipeline corridor (see Exhibit "D").
- g. The gas pipeline will be a 12" or less buried line and water pipeline will be 12" or less buried line within a 75' wide disturbed pipeline corridor. The use of the proposed well site and access roads will facilitate as the staging area for the pipeline corridor construction. A new buried pipeline corridor length of approximately 65' is associated with this well.
- h. An existing pipeline corridor upgrade is proposed from the existing LCU 8-36F tie-in location to the LCU compressor facility along the existing pipeline route.
- i. The gas pipeline will be a 12" or less buried line and the water pipeline will be a 12" or less buried line within a single trench and within a 75' wide disturbed pipeline corridor. The use of the existing well site and access roads will facilitate the staging of the pipeline corridor upgrade. An upgrade to a 75' wide buried pipeline corridor of approximately 600 feet is associated with this application.
- j. The proposed pipeline and pipeline upgrade are contained within SITLA surface.
- k. XTO Energy Inc. intends to bury the pipeline where possible and connect the pipeline together utilizing conventional welding technology.

5. Location and Type of Water Supply:

- a. No water supply pipeline will be laid for this well.
- b. No water well will be drilled for this well.
- c. Drilling water for this well will be hauled on the road(s) shown in Exhibit "B".
- d. Water will be hauled from one of the following sources:
 - Water Permit #43-10447, Section 33, T8S, R20E;
 - Water Permit # 43-2189, Section 33, T8S, R20E;
 - Water Permit # 49-2158, Section 33, T8S, R20E;
 - Water Permit # 49-2262, Section 33, T8S, R20E;
 - Water Permit # 49-1645, Section 5, T9S, R22E;
 - Water Permit # 49-9077, Section 32, T6S, R20E;
 - Tribal Resolution 06-183, Section 22, T10S, R20E.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from SITLA, Ute Tribal or BLM Lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located outboard of the location and along the west side of the pad.
- d. The reserve pit will be constructed so as not to leak, breach, or allow for any discharge.
- e. The reserve pit will be lined with a 20 ml minimum thickness plastic nylon reinforced liner material. The liner will overlay a felt liner pad only if rock is encountered during excavation. The pit liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe etc., that could puncture the liner will be disposed of in the pit. The pit walls will be sloped not greater than 2:1. A minimum 2-foot of freeboard will be maintained in the pit at all times during the drilling and completion operations.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side with be fenced and a bird net installed as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash container will be hauled off periodically to the approved Uintah County Landfill near Vernal. Utah.
- Produced fluids from the well other than water will be produced into a test tank until such time as the construction of the production facilities is complete. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

Surface Use Plan LCU 16-36F 10/11/2011

- j. After initial clean-up, a 400 bbl tank will be installed to contain produced waste water. This water will be transported from the tank to an approved XTO Energy Inc. disposal well for proper disposal.
- k. Produced water from the production well will be disposed of at the RBU 13-11F or RBU 16-19F disposal wells in accordance with Onshore Order No. 7.
- I. Any salts and/or chemical, which are an integral part of the drilling system, will be disposed of in the same manner as the drilling fluid.
- m. Sanitary facilities will be onsite at all times during operations. Sewage will be placed in a portable chemical toilet and the toiled replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage containers and portable toilets are the only ancillary facilities proposed in this application.
- b. No camps, airstrips or staging areas are proposed with this application.

9. Well Site Layout: (See Exhibit "E")

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the east.
- c. The pad and road designs are consistent with BLM and SITLA specifications.
- d. A pre-construction meeting with responsible company representatives, contractors, and SITLA will be conducted at the project site prior to commencement of surface disturbing activities. The pad and road will be construction staked prior to this meeting.
- e. The pad has been staked at its maximum size; however, it will be constructed smaller, if possible, depending on rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. All surface disturbing activities will be supervised by a qualified, responsible company representative who is aware of the terms and conditions of the APD and specification in the approved plans.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed and storm water BMP's installed around the well site to prevent surface water from entering the well site.
- i. The site surface will be graded to drain away from the pit to avoid pit spillage during large storm events.
- j. The reserve pit will be properly fenced and a bird net installed to prevent any livestock, wildlife or migratory bird entry, and will remain so until site clean-up.

Surface Use Plan LCU 16-36F 10/11/2011 6

- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe and useable condition.
- The stockpiled topsoil (first 6 inches or maximum available) will be stored in a
 windrow on the uphill side of the location to prevent possible contamination. All
 topsoil will be stockpiled for reclamation in such a way as to prevent soil loss
 and/or contamination.
- m. The blooie line will be located at least 100 feet from the well head.
- n. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface (Interim Reclamation and Final Reclamation):

- a. Site reclamation for the production well will be accomplished for the portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that torn portion of the location not needed for production facilities/operations will be re-contoured to match the appropriate natural contours of the area.
- c. Following the BLM published Best Management Practices and per the signed 2009 Reclamation Plan, the interim reclamation will be completed within 90 days of well completion or 120 days of wells spud (weather permitting) to reestablish vegetation, reduce dust and erosion and compliment the visual resources of the area.
 - All equipment and debris will be removed from the area proposed for interim reclamation and the pit area will be backfilled and re-contoured to match the surrounding topography.
 - The area outside the rig anchors and other disturbed areas not needed for the operation of the well will be re-contoured to blend in with the surrounding topography and reseeded as prescribed by SITLA.
 - Reclaimed areas receiving incidental disturbance during the life of the producing well will be re-contoured and reseeded as soon as practical.
- d. The operator will control noxious weeds along the access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the SITLA or the appropriate County Extension Office. On SITLA administered land, it is required that a Pesticide Use Proposal be submitted and approved prior to the application of herbicides, pesticides or other possibly hazardous chemicals.
- e. Prior to final abandonment of the site, all disturbed areas, including access roads will be scarified and left with a rough surface. The site will then be reseeded and/or planted as prescribed by SITLA. A SITLA recommended seed mix will be detailed within their approval documents.

11. Surface and Mineral Ownership:

- a. Surface Ownership State of Utah under the management of the SITLA State Office, 675 East 500 South, Salt Lake City, Utah 84102; 801-538-5100.
- b. Surface Ownership State of Utah under the management of the SITLA State Office, 675 East 500 South, Salt Lake City, Utah 84102; 801-538-5100.

12. Other Information:

- AIA Archaeological conducted a Class III archeological survey. A copy of the report was submitted under separate cover to the appropriate agencies with the first filing of this proposed APD
- b. Alden Hamblin conducted a paleontological survey. A copy of the original report was submitted under separate cover to the appropriate agencies with the first filing of this proposed APD.

Surface Use Plan LCU 16-36F 10/11/2011

XTO ENERGY, INC.

LCU #16-36F

LOCATED IN UINTAH COUNTY, UTAH SECTION 36, T10S, R20E, S.L.B.&M.

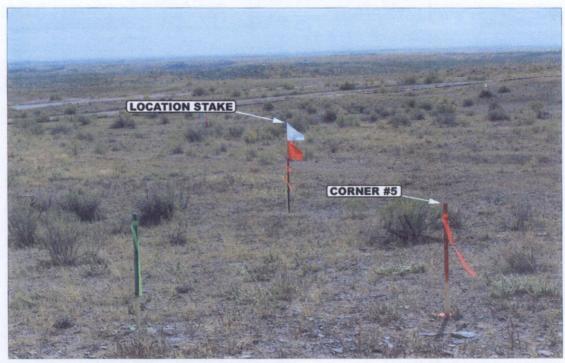


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY

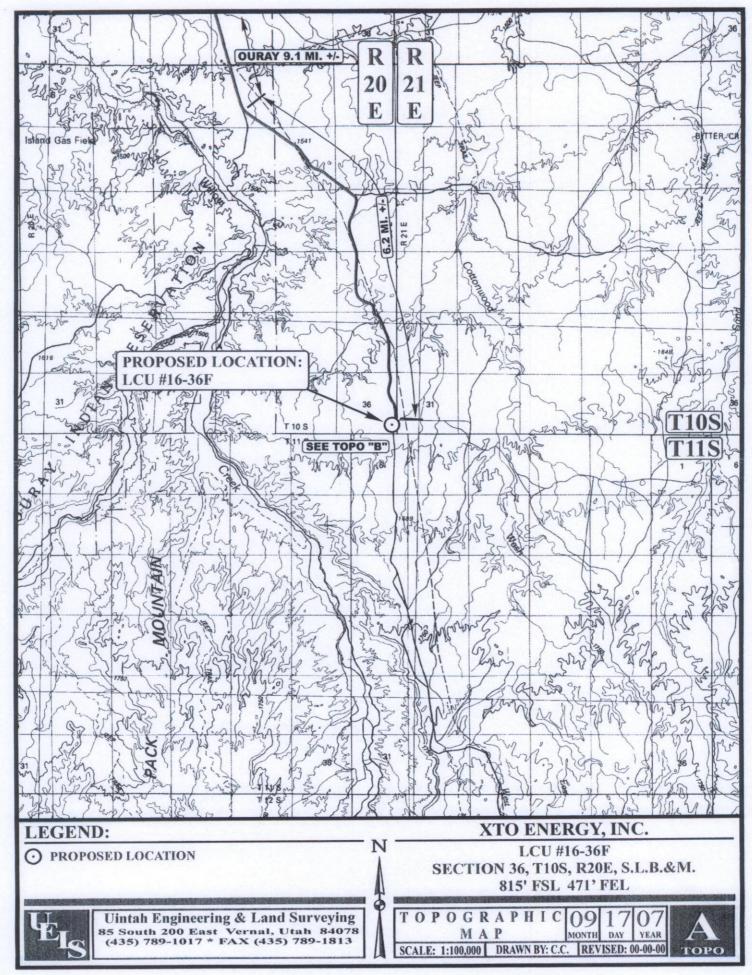


LOCATION PHOTOS		09 MONTH	17 O7 DAY YEAR		рното
TAKEN BY: B.B.	DRAWN BY: C.	C. REV	ISED: (00-00-00	

XTO ENERGY, INC. LCU #16-36F SECTION 36, T10S, R20E, S.L.B.&M.

PROCEED IN A SOUTHERLY THEN SOUTHEASTERLY DIRECTION FROM OURAY, UTAH APPROXIMATELY 9.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN LEFT AND PROCEED IN A SOUTHWESTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 6.2 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN RIGHT AND PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION APPROXIMATELY 300' TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 130' TO THE PROPOSED LOCATION.

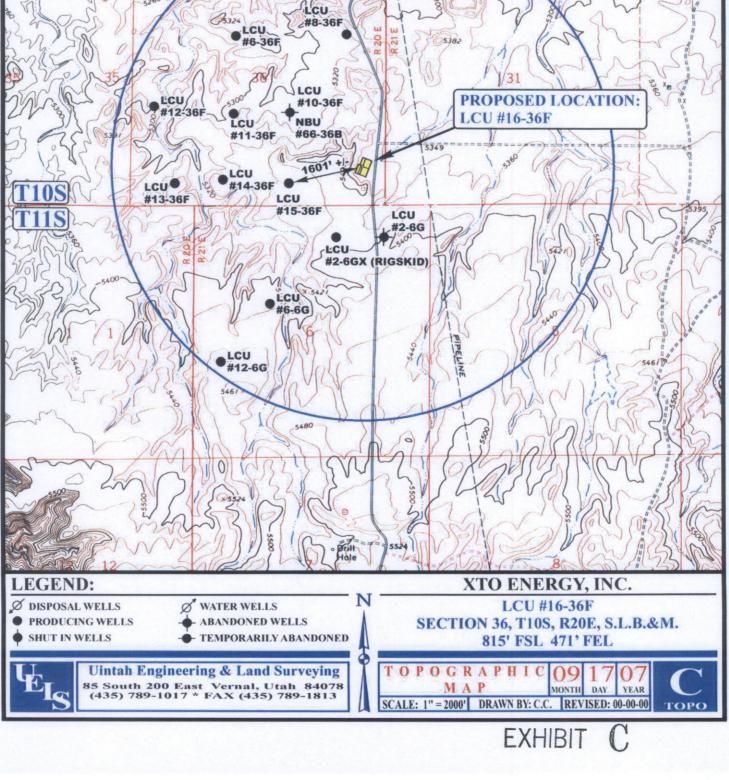
TOTAL DISTANCE FROM OURAY, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 15.3 MILES.



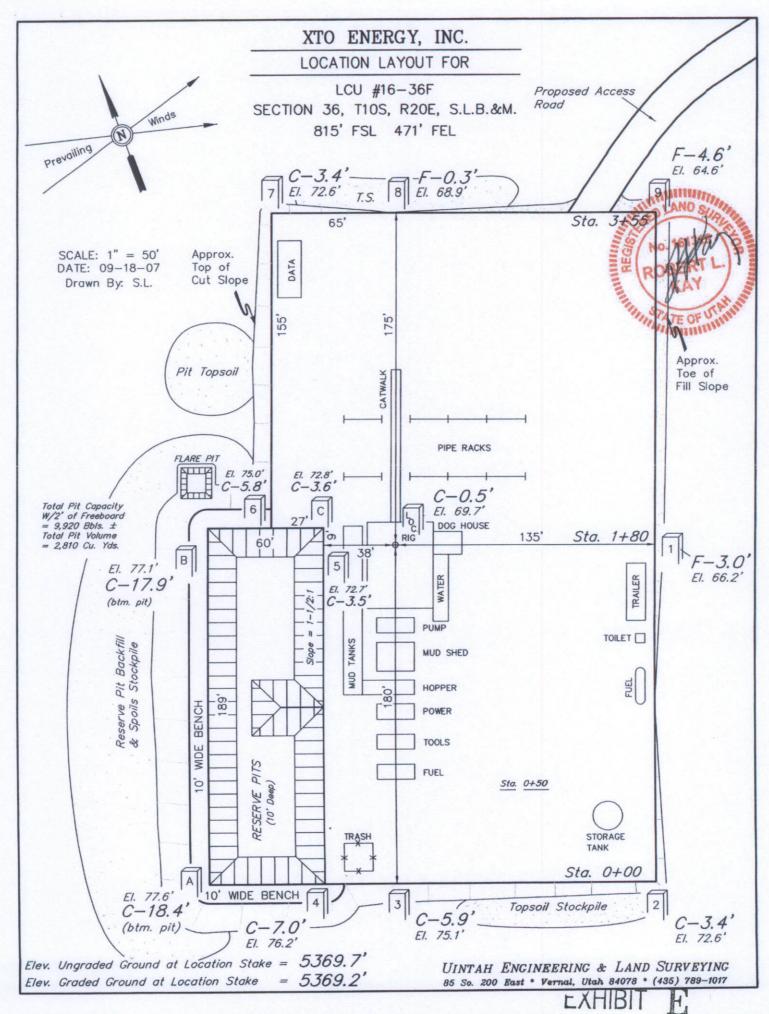
API Well Number: 43047521020000 20 PROPOSED ACCESS 130' +/-**DETAIL "A"** J5324 300' +/-SEE DETAIL "A" PROPOSED LOCATION: LCU #16-36F LEGEND: XTO ENERGY, INC. LCU #16-36F EXISTING ROAD PROPOSED ACCESS ROAD SECTION 36, T10S, R20E, S.L.B.&M. 815' FSL 471' FEL **Uintah Engineering & Land Surveying** TOPOGRAPHI 85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813 MAP MONTH DAY YEAR

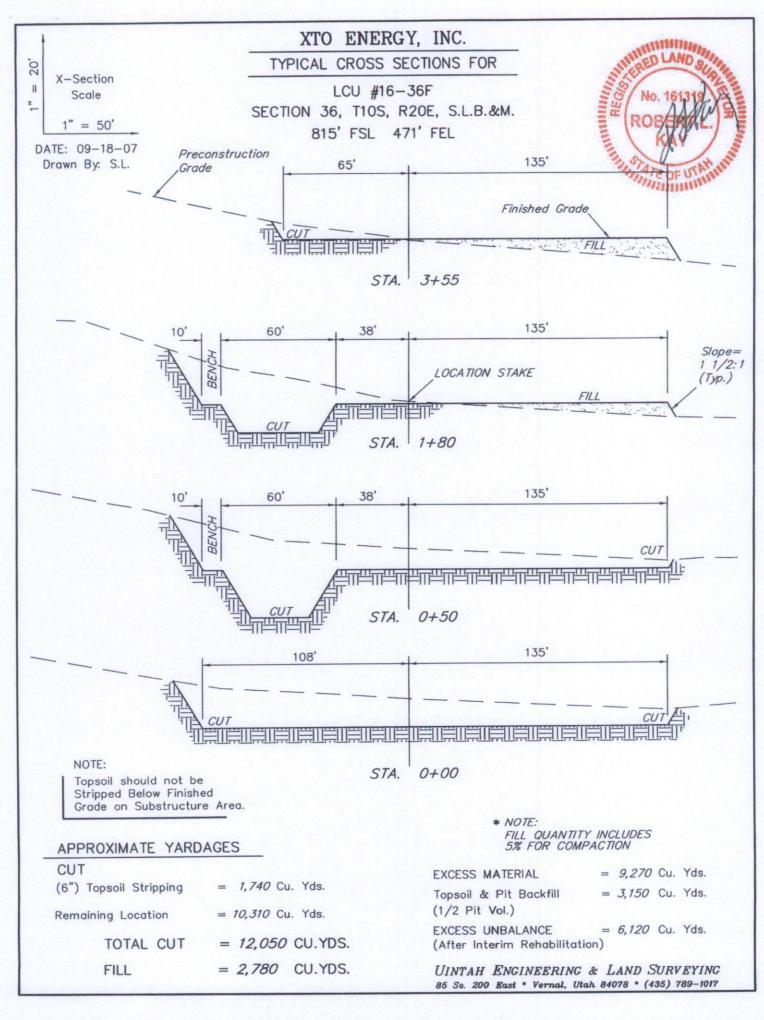
TOPO

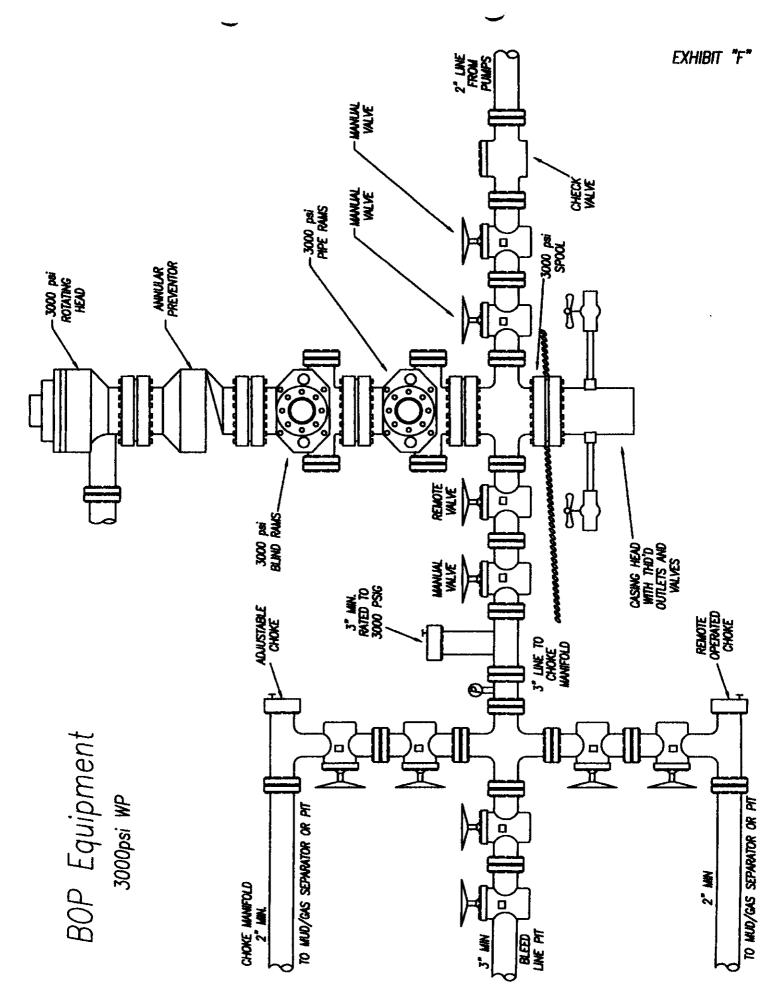
SCALE: 1" = 2000' DRAWN BY: C.C. REVISED: 00-00-00

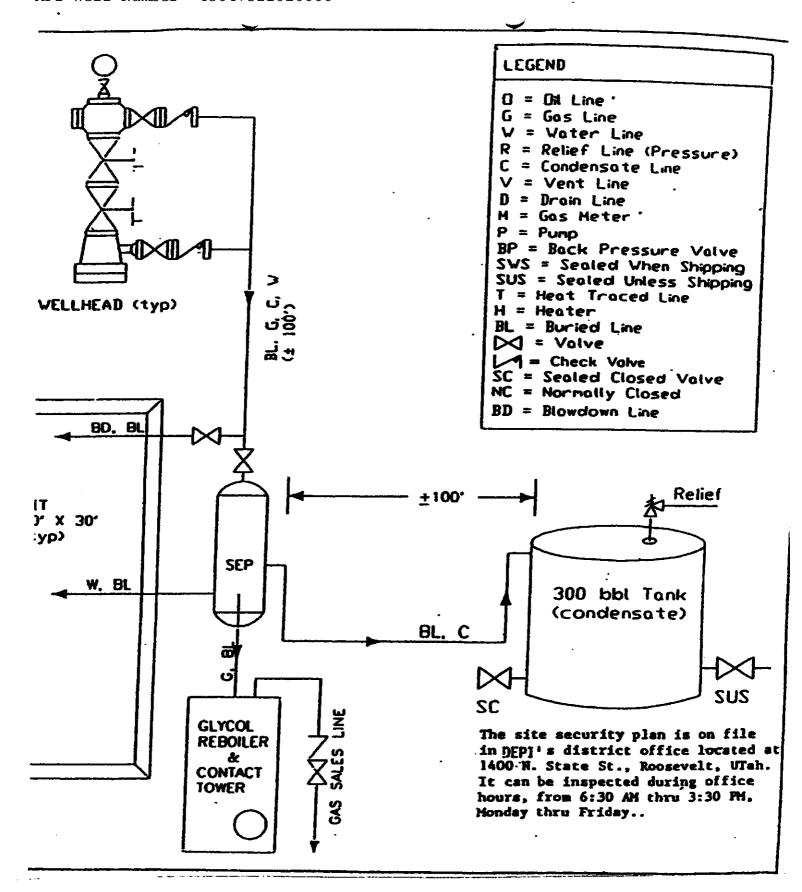


API Well Number: 43047521020000 20 E TIE-IN POINT PROPOSED PIPELINE **DETAIL "A"** 75382 N 00 PROPOSED ACCESS ROAD 5349 5400 **EXISTING PIPELINE** PROPOSED LOCATION: SEE DETAIL "A" b LCU #16-36F .5400 PIPELINE DISTANCE = 65' +/-LEGEND: XTO ENERGY, INC. PROPOSED ACCESS ROAD LCU #16-36F **EXISTING PIPELINE** SECTION 36, T10S, R20E, S.L.B.&M. PROPOSED PIPELINE 815' FSL 471' FEL **Uintah Engineering & Land Surveying** TOPOGRAPHIC 85 South 200 East Vernal, Utah 84078 (435) 789-1017 * FAX (435) 789-1813 MAP MONTH DAY SCALE: 1" = 1000' DRAWN BY: C.C. REVISED: 00-00-00 TOPO









Operator Certification:

a. Permitting and Compliance:

Krista Wilson Permitting Tech. XTO Energy Inc. 382 CR 3100 Aztec NM 87410 505-333-3100

b. Drilling and Completions:

Justin Niederhofer XTO Energy Inc. 382 CR 3100 Aztec, NM 87410 505-333-3100

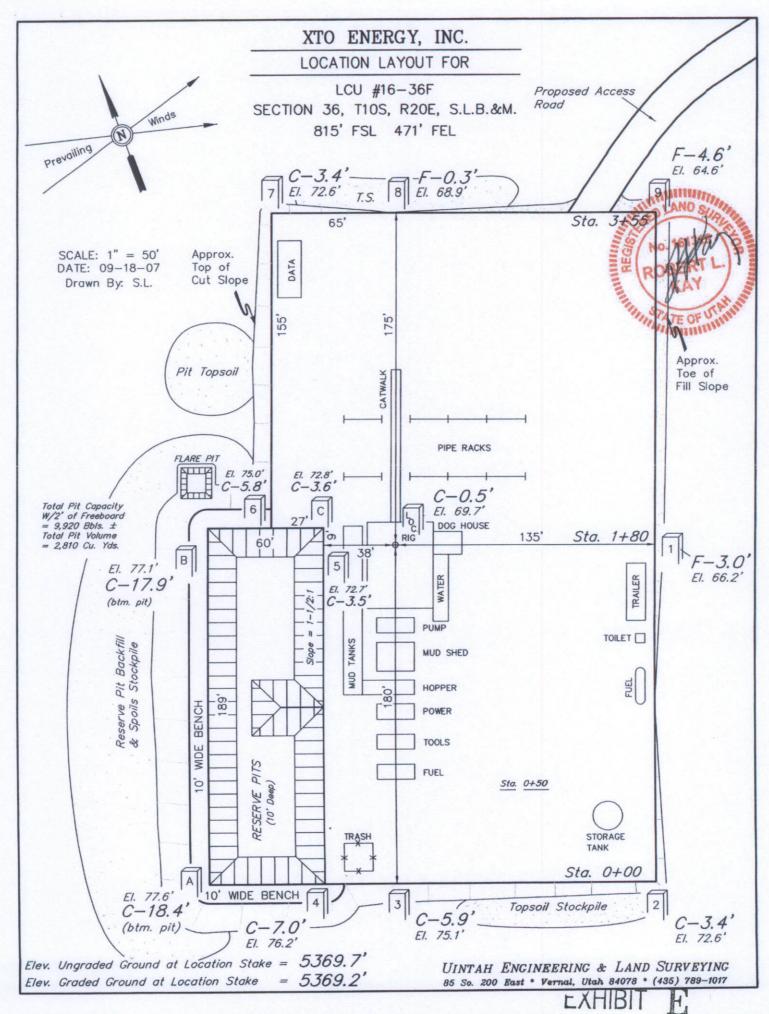
c. Certification:

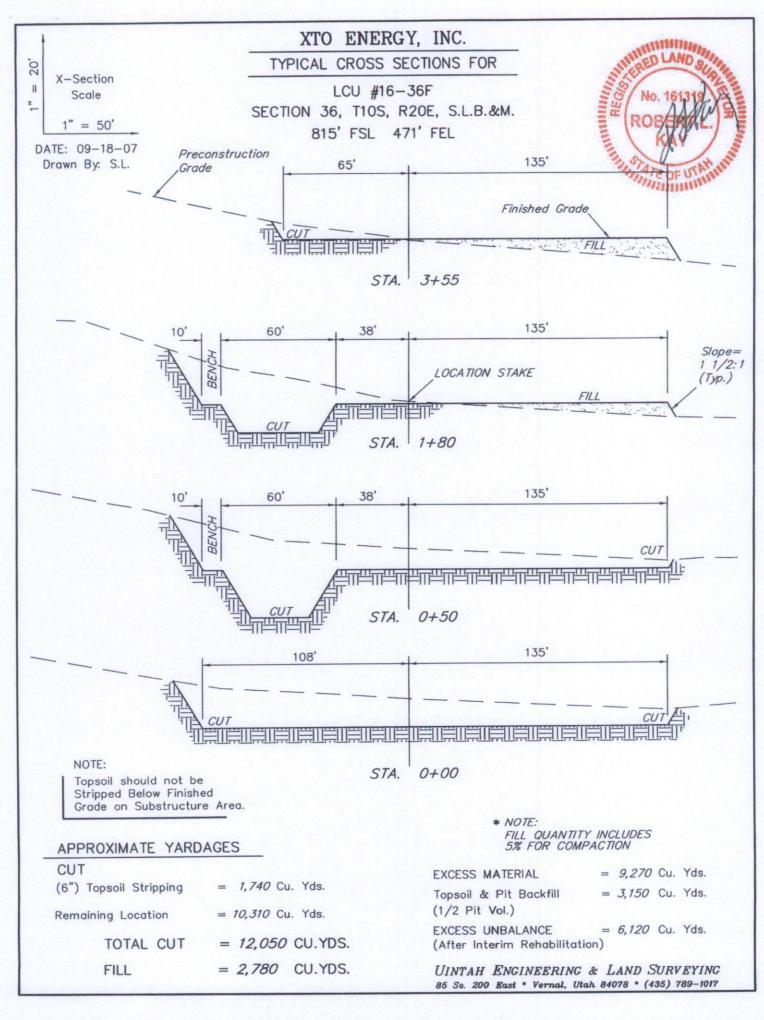
I hereby certify that, I or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or XTO Energy Inc., are responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 11th day of October, 2011.

Signature:

Krista Wilsof





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

October 21, 2011

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2011 Plan of Development Little Canyon Unit

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2011 within the Little Canyon Unit, Uintah County, Utah.

API# WELL NAME LOCATION

(Proposed PZ Wasatch/MesaVerde)

43-047-52102 LCU 16-36F Sec 36 T10S R20E 0815 FSL 0471 FEL

43-047-52103 LCU 2-2H Sec 02 T11S R20E 2022 FNL 1954 FEL BHL Sec 02 T11S R20E 0724 FNL 2024 FEL

43-047-52104 LCU 4-2H Sec 02 T11S R20E 1352 FNL 1891 FWL

BHL Sec 02 T11S R20E 0725 FNL 0759 FWL

43-047-52106 LCU 7-36F Sec 36 T10S R20E 1991 FNL 2059 FEL

43-047-52107 LCU 1-36F Sec 36 T10S R20E 0782 FNL 0823 FEL

43-047-52108 LCU 2-36F Sec 36 T10S R20E 0577 FNL 2112 FEL

43-047-52109 LCU 4-36F Sec 36 T10S R20E 0860 FNL 0889 FWL

This office has no objection to permitting the wells at this time.

Michael L. Coulthard

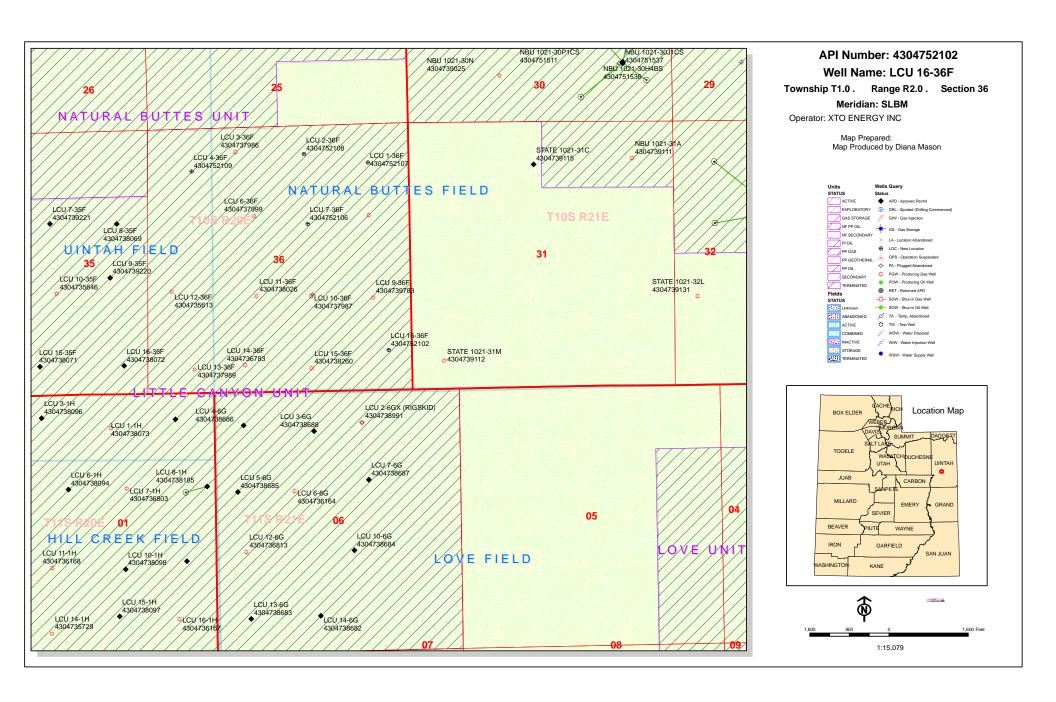
Digitally signed by Michael L. Coulthard

Div. cn=Michael L. Coulthard, o=Bureau of Land Management,
ou_Branch of Minerals, enail=Michael_Coulthard@blm.gov, c=US
Date: 2011.10.2115:17:02-06'00'

bcc: File - Little Canyon Unit
 Division of Oil Gas and Mining
 Central Files

Agr. Sec. Chron Fluid Chron

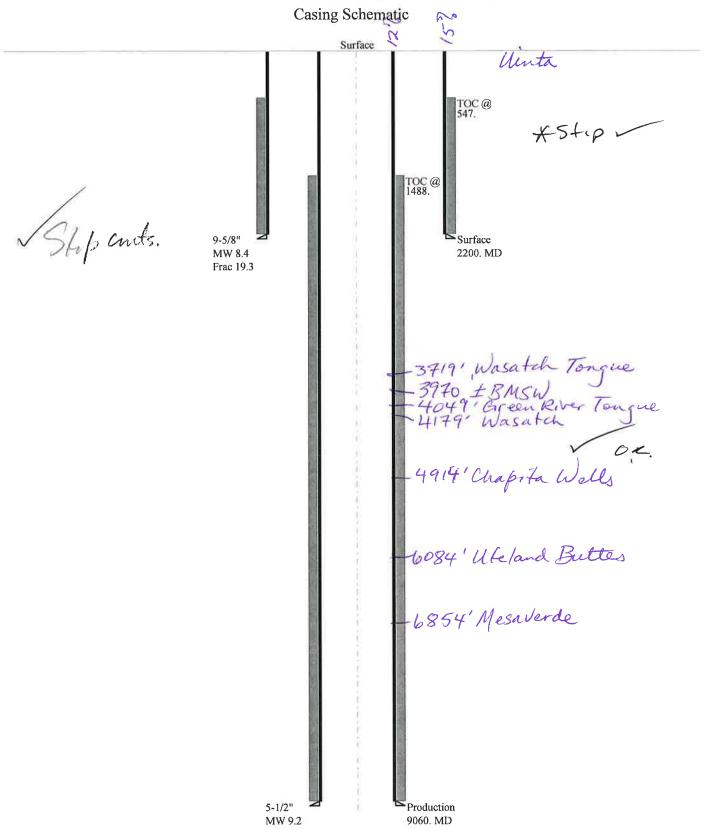
MCoulthard:mc:10-21-11



BOPE REVIEW XTO ENERGY INC LCU 16-36F 43047521020000

Well Name		XTO ENERGY II	NC LCU 16-36F 4	3047	7521020000					
String		Surf	Prod	Ī	ĺ	Ī				
Casing Size(")		9.625	5.500	ľ		Ë				
Setting Depth (TVD)		2200	9060	ľ		Ë		1		
Previous Shoe Setting Dept	h (TVD)	0	2200	ľ	i	Ë				
Max Mud Weight (ppg)		8.4	9.2	Ħ		Ħ				
BOPE Proposed (psi)		250	3000	ľ		Ħ				
Casing Internal Yield (psi)		3520	7740	F	i	Ï				
Operators Max Anticipated	Pressure (psi)	4600	9.8	Ė		Ë				
Calculations		Surf Stri	ina	_			9.625	<u></u> '		
Max BHP (psi))52*Setting I)en	oth*MW=	961				
(F **)						961		BOPE A	١de	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Sett	ing	g Depth)=	697	i	NO		
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Sett	ing	g Depth)=	477		NO		No expected pressure
								*Can F	ull	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(S	Setting Depth	- Previous Sl	hoe	e Depth)=	477		NO		
Required Casing/BOPE Tes	st Pressure=					220	0	psi		
*Max Pressure Allowed @	Previous Casing	Shoe=				0		psi *	Ass	sumes 1psi/ft frac gradient
Calculations		Prod Str	inα				5.500	"		
Max BHP (psi)			05040 D. 143577						_	
wax biir (psi)						433	4	BOPE A	١de	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Sett	ing	g Depth)=	324	7	NO		
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Sett	ing	g Depth)=	234	1	YES		ОК
								*Can F	ull	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(S	Setting Depth	- Previous Sl	hoe	e Depth)=	282	5	NO		OK
Required Casing/BOPE Tes	st Pressure=					300	0	psi		
*Max Pressure Allowed @	Previous Casing	Shoe=				220	0	psi *	Ass	sumes 1psi/ft frac gradient
Calculations		String	r	_				"	_	
Max BHP (psi))52*Setting I	Эер	oth*MW=					
								BOPE A	١de	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Sett	ing	g Depth)=			NO		
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Sett	ing	g Depth)=			NO		
								*Can F	ull	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(S	Setting Depth	- Previous Sl	hoe	e Depth)=			NO		
Required Casing/BOPE Tes	st Pressure=							psi		
*Max Pressure Allowed @	Previous Casing	Shoe=						psi *	Ass	sumes 1psi/ft frac gradient
Calculations		String		_				"		
Max BHP (psi)		.0)52*Setting I	Dep	oth*MW=					
								BOPE A	١de	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Sett	ing	g Depth)=			NO		
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Sett	ing	g Depth)=			NO		
								*Can F	ull	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe		Setting Depth	- Previous Sl	hoe	e Depth)=			NO .		
Required Casing/BOPE Tes								psi		
Max Pressure Allowed @ Previous Casing Shoe=								psi *	Ass	sumes 1psi/ft frac gradient

43047521020000 LCU 16-36F



Well name:

43047521020000 LCU 16-36F

Operator:

XTO ENERGY INC

String type:

Surface

Project ID:

43-047-52102

Environment:

Location:

UINTAH COUNTY

Collapse

Mud weight: 8.400 ppg Design is based on evacuated pipe.

Collapse:

Design factor

Minimum design factors:

1.125

H2S considered? Surface temperature: Nο 74 °F

105 °F Bottom hole temperature: 1.40 °F/100ft Temperature gradient:

Minimum section length:

100 ft

Burst:

Design factor

1.00

1.80 (J)

1.70 (J)

1.60 (J)

Cement top:

547 ft

Burst

Max anticipated surface

No backup mud specified.

pressure: Internal gradient: Calculated BHP

Design parameters:

1,936 psi 0.120 psi/ft

2,200 psi

Tension:

8 Round STC: 8 Round LTC: Buttress:

Premium: Body yield:

1.50 (J) 1.50 (B)

Tension is based on air weight. Neutral point: 1,926 ft Non-directional string.

Re subsequent strings:

Next setting depth: Next mud weight: Next setting BHP:

9,060 ft 9.200 ppg 4,330 psi

Fracture mud wt: Fracture depth: Injection pressure: 19.250 ppg 2,200 ft 2,200 psi

Run Seq	Segment Length (ft) 2200	Size (in) 9.625	Nominal Weight (lbs/ft) 36.00	Grade J-55	End Finish ST&C	True Vert Depth (ft) 2200	Measured Depth (ft) 2200	Drift Diameter (in) 8,796	Est. Cost (\$) 19122
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	960	2020	2.104	2200	3520	1.60	79.2	394	4.97 J

Prepared

Helen Sadik-Macdonald

Div of Oil, Gas & Mining by:

Phone: 801 538-5357 FAX: 801-359-3940

Date: December 30,2011 Salt Lake City, Utah

Collapse is based on a vertical depth of 2200 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

43047521020000 LCU 16-36F

Operator:

XTO ENERGY INC

String type:

Production

Project ID:

Location:

UINTAH

43-047-52102

Design parameters:

Minimum design factors: Collapse:

Environment:

Collapse

Mud weight:

9.200 ppg Design factor

COUNTY

1.125

H2S considered?

No 74 °F

Design is based on evacuated pipe.

Surface temperature: Bottom hole temperature:

201 °F

Temperature gradient: Minimum section length:

Non-directional string.

1.40 °F/100ft

100 ft

Burst:

Design factor

1.00 Cement top: 1,488 ft

Burst

Max anticipated surface pressure:

No backup mud specified:

Internal gradient: Calculated BHP

2,337 psi 0.220 psi/ft 4,330 psi

Tension:

8 Round STC: 1.80 (J) 1.80 (J)

8 Round LTC: Buttress:

1.60 (J) 1.50 (J) Premium:

Body yield:

1.60 (B)

Tension is based on air weight.

Neutral point:

7,796 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	9060	5.5	17.00	N-80	LT&C	9060	9060	4.767	51066
Run Seq	Collapse Load (psi) 4330	Collapse Strength (psi) 6290	Collapse Design Factor 1.453	Burst Load (psi) 4330	Burst Strength (psi) 7740	Burst Design Factor 1.79	Tension Load (kips) 154	Tension Strength (kips) 348	Tension Design Factor 2.26 J

Prepared by: Helen Sadik-Macdonald

Div of Oil, Gas & Mining

Phone: 801 538-5357

Date: December 30,2011

FAX: 801-359-3940

Salt Lake City, Utah

Collapse is based on a vertical depth of 9060 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

From: Jim Davis

To: APD APPROVAL

CC: Diane_Jaramillo@xtoenergy.com; Kelly_Kardos@xtoenergy.com

Date: 2/23/2012 12:47 PM **Subject:** APD approvals 10 for XTO

The following APDs have been approved by SITLA including arch and paleo clearance.

4304752053AP 14-2J4304752054AP 16-2J4304752055AP 5-2JX4304752102LCU 16-36F4304752103LCU 2-2H4304752104LCU 4-2H4304752106LCU 7-36F4304752107LCU 1-36F4304752108LCU 2-36F4304752109LCU 4-36F

-Jim

Jim Davis Utah Trust Lands Administration jimdavis1@utah.gov Phone: (801) 538-5156

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator XTO ENERGY INC

Well Name LCU 16-36F

API Number 43047521020000 APD No 4778 Field/Unit NATURAL BUTTES

Location: 1/4,1/4 SESE Sec 36 Tw 10.0S Rng 20.0E 815 FSL 471 FEL

GPS Coord (UTM) 619258 4417260 Surface Owner

Participants

Misty Roberts (XTO), Brandon Bowthorpe (UELS), Jim Davis (SITLA), Krista Wilson (XTO), Damion Jones (XTO), Jody Mecham (XTO), Justin Justice (Kaufusi Excavating), Ben Williams (DWR)

Regional/Local Setting & Topography

The general area is approximately 14 miles southwest of Ouray, Utah and in an oil field Unit known as Little Canyon. The area is characterized by rolling hills and benches, which are frequently intersected by somewhat gentle to deep draws running westerly a distance of about 3 miles into Willow Creek. The draws are occasionally rimed with steep side hills, which have exposed sand stone bedrock cliffs along the rims. Willow Creek contains a perennial stream. No other seeps, springs or streams are known to exist in the area. An occasional pond collecting runoff for livestock and antelope occurs.

The LCU 16-36F proposed gas well is 13.6 miles southeast of Ouray and is accessed by the Seep Ridge Road. A new road 300 feet in length will be constructed to the west from this road. This road will cross an existing 8-inch pipeline owned by XTO, which will be buried at the crossing.

The location is planned on a flat surrounded by higher hills except to the east toward the road. Light side slope drainage consisting mostly of overland flow occurs from the slopes to the south. This will be cut off by the reserve pit spoils while the pit is open. A diversion ditch to the west around the location may be desirable when the pit is closed.

Surface Use Plan

Current Surface Use

Wildlfe Habitat

New Road
Miles

Well Pad

Src Const Material

Surface Formation

0.01 Width 243 Length 355 Onsite UNTA

Ancillary Facilities N

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

2/29/2012 Page 1

Sparsely vegetated with greasewood cheat grass, mustard weed.

Antelope, coyotes, rabbits and miscellaneous small mammals and birds.

Soil Type and Characteristics

Medium deep sandy clay loam with some small surface rock.

Erosion Issues N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? Paleo Potental Observed? N Cultural Survey Run? Y Cultural Resources? N

Reserve Pit

Site-Specific Factors	Site Ranking		
Distance to Groundwater (feet)	> 200	0	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)	300 to 1320	10	
Native Soil Type	High permeability	20	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)	10 to 20	5	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	40	1 Sensitivity Level

Characteristics / Requirements

A 60' x 189' x 10' deep reserve pit is planned in an area of cut on the southwest side of the location. It will be lined with a 16-mil liner with an appropriate thickness of felt sub liner.

Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? Y

Other Observations / Comments

Evaluator	Date / Time
Richard Powell	10/19/2011

2/29/2012 Page 2

Application for Permit to Drill Statement of Basis

Utah Division of Oil, Gas and Mining

Page 1

APD NoAPI WellNoStatusWell TypeSurf OwnerCBM477843047521020000LOCKEDGWSNo

Operator XTO ENERGY INC Surface Owner-APD

Well Name LCU 16-36F Unit LITTLE CANYON

Field NATURAL BUTTES Type of Work DRILL

Location SESE 36 10S 20E S 815 FSL 471 FEL GPS Coord

(UTM) 619193E 4417465N

Geologic Statement of Basis

XTO proposes to set 2,200 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,970 feet. A search of Division of Water Rights records shows 1 water well within a 10,000 foot radius of the proposed location. The well is owned by the BLM it is listed as used for stock watering. The well depth is listed as 2,500 feet. The surface formation at this location is he Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing and cement should adequately protect any near surface aquifers. The production string cement should be brought up above the base of the moderately saline water to prevent it from mixing with fresher waters up hole.

Brad Hill **APD Evaluator**

11/2/2011 **Date / Time**

Surface Statement of Basis

This well was previously permitted under the same name with API# 43-047-39784. The permit was rescinded. The location was left undisturbed. The LCU 16-36F proposed gas well is 13.6 miles southeast of Ouray and is accessed by the Seep Ridge Road. A new road 300 feet in length will be constructed to the west from this road. This road will cross an existing 8-inch pipeline owned by XTO, which will be buried at the crossing.

The location is planned on a flat surrounded by higher hills except to the east toward the road. Light side slope drainage consisting mostly of overland flow occurs from the slopes to the south. This will be cut off by the reserve pit spoils while the pit is open. A diversion ditch to the west around the location may be desirable when the pit is closed.

Both the surface and minerals are owned by SITLA. Jim Davis of SITLA attended the presite but stated no concerns with drilling at this site. Ben Williams representing the UDWR stated the area is classified as yearlong crucial habitat for antelope but water not forage is the factor limiting the growth of the herd. He did not recommend any restrictions for this species. This investigation did not reveal any significant issues or situations, which should prohibit access to or drilling and operating the well at this site.

Richard Powell 10/19/2011
Onsite Evaluator Date / Time

Conditions of Approval / Application for Permit to Drill

Category Condition

Pits A synthetic liner with a minimum thickness of 16 mils with a felt subliner shall be properly installed

and maintained in the reserve pit.

Surface The reserve pit shall be fenced upon completion of drilling operations.

RECEIVED: February 29, 2012

Application for Permit to Drill Statement of Basis

Utah Division of Oil, Gas and Mining

Page 2

Surface

Drainages adjacent to the proposed pad shall be diverted around the location.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/11/2011	API NO. ASSIGNED: 43047521020000

WELL NAME: LCU 16-36F

OPERATOR: XTO ENERGY INC (N2615) PHONE NUMBER: 505 333-3647

CONTACT: Krista Wilson

PROPOSED LOCATION: SESE 36 100S 200E Permit Tech Review:

> **SURFACE: 0815 FSL 0471 FEL** Engineering Review:

> BOTTOM: 0815 FSL 0471 FEL Geology Review:

COUNTY: UINTAH

LATITUDE: 39.89889 LONGITUDE: -109.60572 **UTM SURF EASTINGS: 619193.00** NORTHINGS: 4417465.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47391 PROPOSED PRODUCING FORMATION(S): WASATCH-MESA VERDE

SURFACE OWNER: 3 - State **COALBED METHANE: NO**

RECEIVED AND/OR REVIEWED: LOCATION AND SITING: **I**✓ PLAT R649-2-3. Unit: LITTLE CANYON Bond: STATE/FEE - 104312762 Potash R649-3-2. General 🖊 Oil Shale 190-5 Oil Shale 190-3 R649-3-3. Exception Oil Shale 190-13 **Drilling Unit** Board Cause No: Cause 259-01 Water Permit: 43-10447 Effective Date: 8/18/2006 **RDCC Review:**

Siting: Suspends General Siting Fee Surface Agreement

Intent to Commingle R649-3-11. Directional Drill

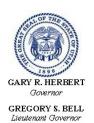
Commingling Approved

Comments: Presite Completed

Stipulations:

5 - Statement of Basis - bhill 17 - Oil Shale 190-5(b) - dmason 25 - Surface Casing - hmacdonald

API Well No: 43047521020000



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: LCU 16-36F

API Well Number: 43047521020000

Lease Number: ML-47391 Surface Owner: STATE Approval Date: 2/29/2012

Issued to:

XTO ENERGY INC, 382 Road 3100, Aztec, NM 87410

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 259-01. The expected producing formation or pool is the WASATCH-MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

In accordance with the Order in Cause No. 190-5(b) dated October 28, 1982, the operator shall comply with the requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operators shall ensure that the surface and or production casing is properly cemented over the entire oil shale section as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the division.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Surface casing shall be cemented to the surface.

Additional Approvals:

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this

API Well No: 43047521020000

well:

- Any changes to the approved drilling plan contact Dustin Doucet
- Significant plug back of the well contact Dustin Doucet
- Plug and abandonment of the well contact Dustin Doucet

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well contact Carol Daniels OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at http://oilgas.ogm.utah.gov

- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to cementing or testing casing contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well contact Dan Jarvis

Contact Information:

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

- Carol Daniels 801-538-5284 office
- Dustin Doucet 801-538-5281 office

801-733-0983 - after office hours

• Dan Jarvis 801-538-5338 - office

801-231-8956 - after office hours

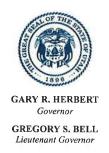
Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) due prior to implementation
- Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
 - Report of Water Encountered (Form 7) due within 30 days after completion
 - Well Completion Report (Form 8) due within 30 days after completion or plugging

Approved By:

For John Rogers Associate Director, Oil & Gas



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

March 20, 2013

Rick Redus XTO Energy Inc. 382 Road 3100 Aztec, NM 87410

Re:

APDs Rescinded for XTO Energy Inc.

Uintah/Emery County

Dear Mr. Redus:

Enclosed find the list of APDs that you requested to be rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective March 20, 2013.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

iani Glasni

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal

SITLA, Ed Bonner





Fwd: APDs

Brad Hill
 bradhill@utah.gov>

Wed, Mar 20, 2013 at 2:35 PM

To: Diana Mason < DIANAWHITNEY@utah.gov>

Here are some you can get rid of.

----- Forwarded message -----

From: Redus, Richard <Richard_Redus@xtoenergy.com>

Date: Wed, Mar 20, 2013 at 2:31 PM

Subject: APDs

To: "bradhill@utah.gov" <bradhill@utah.gov>

Mr Hill,

Please cancel the below APD's as XTO will not be drilling these wells within the foreseeable future.

XTO ENERGY INC	4304737569	RBU 14-15F	DRILL	01/12/2006	01/12/2013
XTO ENERGY INC	4304752133	LCU 4-16H	DRILL	01/12/2012	01/12/2013
XTO ENERGY INC	4301530704	UT FED 18-7-22-24	DRILL	01/24/2007	01/24/2013
XTO ENERGY INC	4304737648	RBU 6-4E	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304737652	RBU 7-16F	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304737653	LCU 14-9H	DRILL	01/30/2006	01/30/2013
XTO ENERGY INC	4304751354	KC 15-32E	DRILL	02/03/2011	02/03/2013
XTO ENERGY INC	4304736295	RBU 10-21E	DRILL	02/09/2005	02/09/2013
XTO ENERGY INC	4304740524	RBU 30-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304740529	RBU 21-24E	DRILL	02/10/2009	02/10/2013

	l				
XTO ENERGY INC	4304740530	RBU 28-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304740531	RBU 23-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304740532	RBU 31-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304740533	RBU 25-23E	DRILL	02/10/2009	02/10/2013
XTO ENERGY INC	4304739050	LCU 15-4H	DRILL	02/12/2007	02/12/2013
XTO ENERGY INC	4304739051	KC 15-31E	DRILL	02/21/2007	02/21/2013
XTO ENERGY INC	4304752053	AP 14-2J	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752054	AP 16-2J	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752055	AP 5-2JX	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752102	LCU 16-36F	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752103	LCU 2-2H	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752104	LCU 4-2H	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752106	LCU 7-36F	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752108	LCU 2-36F	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304752109	LCU 4-36F	DRILL	02/29/2012	02/28/2013
XTO ENERGY INC	4304739068	KC 7-33E	DRILL	03/05/2007	03/05/2013
XTO ENERGY INC	4304739069	KC 13-33E	DRILL	03/05/2007	03/05/2013
XTO ENERGY INC	4304739070	KC 15-33E	DRILL	03/05/2007	03/05/2013
XTO ENERGY INC	4304737748	RBU 14-16F	DRILL	03/09/2006	03/09/2013
		7			

XTO ENERGY INC	4304740588	RBU 22-24E	DRILL	03/11/2009	03/11/2013
XTO ENERGY INC	4304740492	LCU 2-16H	DRILL	03/12/2009	03/12/2013
XTO ENERGY INC	4304740493	LCU 1-16H	DRILL	03/12/2009	03/12/2013
XTO ENERGY INC	4304739158	LCU 15-3H	DRILL	03/28/2007	03/28/2013
XTO ENERGY INC	4304739159	LCU 5-3H	DRILL	03/28/2007	03/28/2013

Rick Redus

Permitting Specialist

XTO Energy Western Division

Wrk: 303-397-3712

Cell: 720-539-1673

From: bradhill@utah.gov [mailto:bradhill@utah.gov]

Sent: Monday, March 04, 2013 1:20 PM

To: Redus, Richard

Subject: Sundry For API Well Number 43047364300000

Notice of Intent: APD_EXTENSION API Number: 43047364300000 Operator: XTO ENERGY INC

Approved: 3/4/2013

_

Brad Hill P.G.
O & G Permitting Manager/Petroleum Geologist
State of Utah
Division of Oil, Gas, & Mining

Division of Oil, Gas, & Mining Phone: (801)538-5315

Fax: (801)359-3940 email: bradhill@utah.gov